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Attorneys for Creditor, Google Inc.

# UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF NEW YORK

| In re:                                  |          | ) | Chapter 11                                      |
|---|----------|---|---|
| Gawker Media LLC, et al. <sup>1</sup> , |          | ) | Case No. 16-11700 (SMB)<br>Jointly Administered |
|   | Debtors. | ) |   |

# LIMITED OBJECTION AND RESERVATION OF RIGHTS OF GOOGLE INC. TO NOTICE OF (A) PROPOSED ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES IN CONNECTION WITH SALE AND (B) ASSOCIATED CURE COSTS

Google Inc., by and through its undersigned counsel, files the following limited objection and reservation of rights to the Notice of (A) Proposed Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Sales and (B) Associated Cure Costs [Docket No. 105] (the "Assumption Notice")<sup>2</sup> filed by the above-captioned debtors and debtors-in-possession (collectively, "Debtors"), and states as follows:

#### **BACKGROUND**

1. On June 10, 2016, Gawker Media LLC ("Gawker") filed a voluntary petition for Chapter 11 relief in the United States Bankruptcy Court for the Southern District of New York

<sup>&</sup>lt;sup>1</sup> The last four digits of the taxpayer identification numbers of the Debtors are: Gawker Media LLC (0492); Gawker Media Group, Inc. (3231); and Kinja Kft. (5056). The offices of Gawker Media LLC and Gawker Media Group, Inc. are located at 114 Fifth Avenue, 2<sup>nd</sup> Floor, New York, NY 10011. Kinja Kft.'s offices are located at Andrassy ut 66. 1062 Budapest, Hungary.

<sup>&</sup>lt;sup>2</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed in the Assumption Notice.

(the "Bankruptcy Court"). On June 12, 2016, Gawker Media Group, Inc. and Kinja Kft. each filed a voluntary petition for Chapter 11 relief in the Bankruptcy Court.

2. On July 15, 2016, Debtors filed the Assumption Notice, which designates numerous putative contracts between Gawker and Google Inc. and/or DoubleClick, a division of Google Inc. (collectively, "Google") for possible assumption and assignment, and sets forth corresponding cure amounts (the "Proposed Cure Amounts") as follows:

| Name of Contract                       | <b>Description of Contract</b>   | <b>Cure Amount</b> |
|--|--|--------------------|
| Counterparty                           | _  |                    |
| DOUBLECLICK                            | DoubleClick Advertising Agreement dated as of 10/1/2013                          | \$88,201.47        |
| DOUBLECLICK                            | Order Form – DFP Audience Management<br>Service effective date 10/1/2013         | \$0.00             |
| DOUBLECLICK                            | Order Form – DART/DoubleClick for  | \$0.00             |
| Google Inc.                            | Publishers Service effective date 10/1/2013                                      |                    |
| DOUBLECLICK, a division of Google Inc. | Order Form – DART/DoubleClick for<br>Publishers Service effective date 10/1/2013 | \$0.00             |
| DOUBLECLICK, a division of Google Inc. | ORDER FORM – Google Analytics Premium<br>Service effective date 8/1/2014         | \$0.00             |
| DOUBLECLICK<br>Google Inc.             | Order Form – DART/DoubleClick for<br>Publishers Service effective date 10/1/2013 | \$0.00             |
| DOUBLECLICK Google Inc.                | Order Form – DART/DoubleClick for<br>Publishers Service effective date 10/1/2013 | \$0.00             |
| DOUBLECLICK, a division of Google Inc. | DoubleClick Advertising Platform<br>Agreement dated as of 10/1/2013              | \$0.00             |
| DOUBLECLICK, a division of Google Inc. | Order Form – DFP Audience Management<br>Service effective date 10/1/2013         | \$0.00             |
| DOUBLECLICK, a division of Google Inc. | DoubleClick Advertising Platform<br>Agreement dated as of 10/1/2013              | \$0.00             |
| Google Inc.                            | CONTENT HOSTING SERVICES AGREEMENT   | \$0.00             |
| Google Inc.                            | Google AdSense Online Terms of Service   | \$0.00             |
| Google Inc.                            | Order Form – Google Analytics Premium<br>Service effective date 8/1/2014         | \$22,750.00        |
| Google Inc.                            | Publisher Current Agreement  | \$0.00             |
| Google Inc.<br>Admeld LLC              | Google Services Agreement dated 4/8/2013   | \$0.00             |
| Google Inc.<br>Admeld LLC              | Google Services Agreement  | \$0.00             |
| Google Inc.<br>Admeld LLC              | Google Services Agreement dated 4/8/2013   | \$0.00             |

- 3. Google files this limited objection to the Assumption Notice because (a) the Assumption Notice creates potential confusion about the contracts between Gawker and Google and (b) understates the applicable cure amounts associated with certain of the contracts. The Assumption Notice creates the incorrect impression that there are multiple, separate agreements between Gawker and Google, some of which may be assumed and assigned to potential bidders for a \$0.00 cure amount, which is not the case for certain of the contracts. Rather, the DoubleClick Advertising Platform Agreement dated as of 10/1/2013 (the "Platform Agreement") is a "master agreement" that governs the provision of products and services by Google to Gawker under various order forms. Accordingly, each of the order forms is not an independent contract, but rather falls under the umbrella of the Platform Agreement. Certain of the contracts and order forms also appear to have been listed twice in the Assumption Notice.
- 4. According to Google's records, the list of executory contracts between Gawker and Google and the Proposed Cure Amounts associated with each of these contracts should be corrected as follows to reflect that the order forms fall under the umbrella of the Platform Agreement and therefore cannot be assumed without assuming and curing the defaults owing under the Platform Agreement:

| Name of Contract | <b>Description of Contract and Related Order</b>  | <b>Cure Amount</b>        |
|------------------|---|---------------------------|
| Counterparty     | Forms   |                           |
| Google Inc.      | DoubleClick Advertising Platform Agreement dated as of 10/1/2013  • Order Form – DFP Audience Management Service effective date 10/1/2013  • Order Form – DART/DoubleClick for Publishers Service effective date 10/1/2013  • Order Form – Google Analytics | \$159,014.00 <sup>3</sup> |

<sup>&</sup>lt;sup>3</sup> An additional \$90,078.62 comes due on August 30, 2016 and will increase the cure amount if not paid in the ordinary course.

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|             | Premium Service effective date 8/1/2014  • Order Form – Data Analysis effective date 4/14/2015 |        |
|-------------|--|--------|
| Google Inc. | Google Services Agreement dated 4/8/2013   | \$0.00 |
| Google Inc. | Publisher Current Agreement  | \$0.00 |
|             | • Google-Sold Ads Agreement dated 2/3/2013   |        |
| Google Inc. | Google AdSense Online Terms of Service   | \$0.00 |

5. Under Section 365(b)(1) of the Bankruptcy Code, an executory contract may be assumed only if the debtor, at the time of such assumption, cures or provides adequate assurance that the debtor will promptly cure outstanding defaults. Any assumption of the Debtors' agreements with Google must be conditioned upon full payment of the correct cure amounts as set forth in ¶ 4 above.

## **RESERVATION OF RIGHTS**

- 6. Google reserves its right to supplement and/or amend this limited objection and to introduce evidence at any hearing related to the Assumption Notice and this limited objection.
- 7. Google reserves the right to request and receive adequate assurance information and to object to any potential purchaser's ability to provide adequate assurance of future performance in accordance with the procedures outlined in the Assumption Notice, on any basis, including without limitation on the basis that applicable non-bankruptcy law prohibits assignment without Google's consent.

**WHEREFORE**, Google Inc. respectfully requests that this Honorable Court condition the assumption and assignment of the Debtors' contracts with Google on the full payment of the correct cure amounts, and provide such further relief as this court deems just and proper.

Dated: August 5, 2016

## WHITE AND WILLIAMS LLP

By: <u>/s/ Rafael Vergara</u>

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